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Department of Community, Trade and Economic Development
Office of Trade and Economic Development, Energy Policy Division
Proposed "Need and Consistency" Rule for EFSEC

WAC 463-XX-XXX Standards - Consistency with State Energy Policy.

(1) Introduction: This rule establishes a standard for siting natural gas power plants under Council jurisdiction consistent with state energy policy. To issue a site certificate, the Council must find that the proposed energy facility complies with this standard. There are three paths to compliance.

(2) Policy: The siting of major energy facilities like large natural gas fired power plants is a state responsibility that should be conducted consistent with state energy policy. The legislature has found and declared that it is the continuing purpose of state government to foster wise and efficient energy use (RCW 43.21F.010). If large thermal plants are sited in lieu of cost effective efficiency resources, state policy can be thwarted. This standard would ensure that large gas plants will not be sited irregardless of the acquisition of efficiency resources in the region.

(3) Consistency with State Energy Policy: Energy projects must be consistent with state energy policy. The applicant must demonstrate consistency by meeting the following standards, or mitigate if the standards are not met.

Thermal Generating Projects:

(a) The standard is met, if the region has acquired a threshold of at least 60 percent of annual efficiency resources targeted for acquisition by the Northwest Power Planning Council in the Northwest Conservation and Electric Power Plan. By January 1 of each year, the

Council (EFSEC) shall adopt a threshold calculation that shall apply to all applications made during the year.

(b) If the threshold calculation indicates that the region has not acquired the necessary efficiency resources to meet the standard, the standard is met if the project is being developed, or at least 70 percent of the output of the project is being purchased for at least ten years, by an entity that has a qualifying integrated resource plan, and the project is of the type and scope recommended by the plan for imminent acquisition.

(c) If neither (a) nor (b) are met, mitigation shall be required in the following manner:

(i) The applicant may invest in or pay towards the acquisition of efficiency resources according to the following formula: Project Estimated Average Annual Generation in kWh x 2.5 percent x $0.025.

(d) Mitigation for the acquisition of efficiency resources can be applied to mitigation for greenhouse gases.

Example:

?? Project Estimated Average Annual Generation in kWh equals: Capacity in MW (600) x Availability at 80% (.80) x 1000 (change to kilowatts) x 8760 (change to kWh) = 4,204,800,000 kWh.

?? 2.5 percent (0.025) is the percentage of project generation that will be acquired as efficiency.

?? $0.025/kWh is the cost at which the NWPPC estimates 1500 MW of regional efficiency resources are available.

?? 4,204,800,000 x .025 x .025 = $2,628,000.00

The standard may require some definitions, for example:

WAC 324-XXX-XXX (1) "Qualifying Integrated Resource Plan" means a resource plan developed through a Utilities Commission or Utility Board approved public process (or equivalent) that considers efficiency resources to meet electricity demand.